# Weekly Economic Review

## Alberta continues to attract migrants

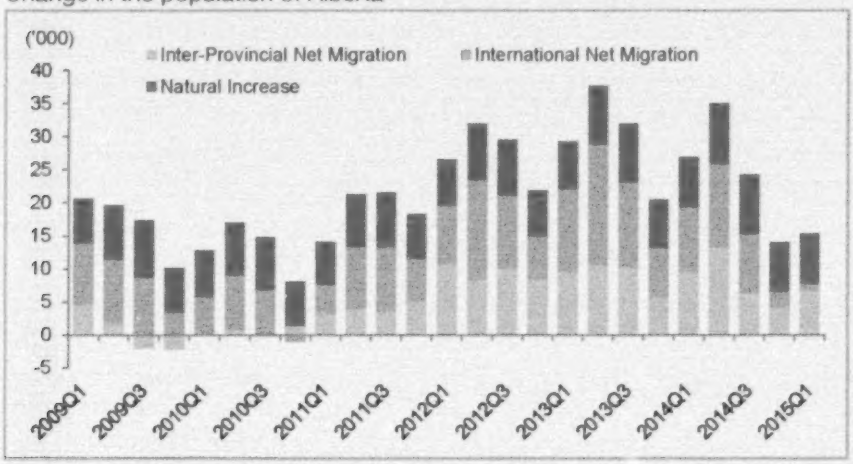
### Population

**Alberta still leads the provinces in population growth**

Alberta remains the provincial leader in population growth, more than doubling the national average with 2.2% growth year-over-year (y/y). Despite leading the provinces, growth continues to moderate as interprovincial and especially net international migration wane (Chart 1). In the first quarter, Alberta welcomed 991 new residents from other countries on net, much more muted than recent highs. This resulted in part from record net outflows of non-permanent residents (-5,896) depressing international gains. Alberta welcomed a net of 6,732 new residents from the rest of Canada, where Ontario was the greatest sender. For the third consecutive quarter, Alberta experienced a net interprovincial loss to British Columbia (-1,188). Natural increase remained a strong driver of population growth, adding 7,642 people this quarter. As of April 1, 2015 Alberta's population was estimated to be 4,175,409.

Chart 1: Net-International migration has slowed

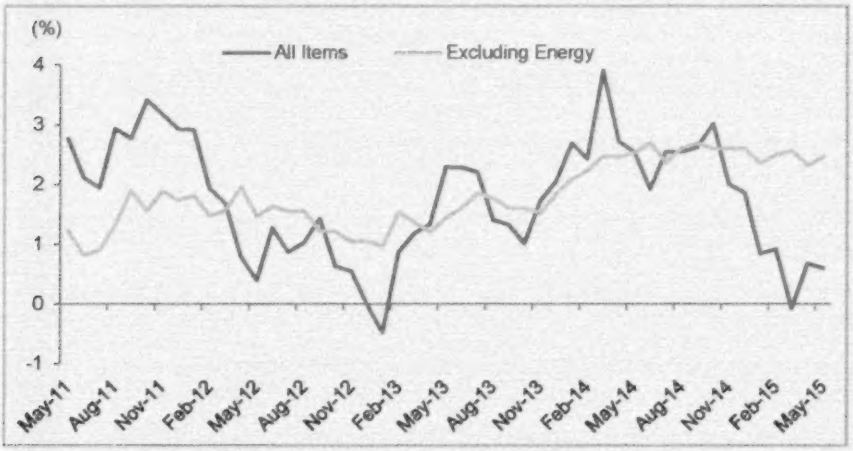
Change in the population of Alberta




**Source:** Statistics Canada

Chart 2: Excluding energy inflation has been elevated

Year-over-year consumer price inflation




**Source:** Statistics Canada

For more information on the Alberta population, please see the *Quarterly Population Report.*

### Consumer Price Index

**Energy keeps inflation low**

The Alberta Consumer Price Index (CPI) rose only 0.6% y/y in May, as inflation continues to be weighed down by energy prices (Chart 2). Inflation excluding energy was elevated at 2.5%, in part because of, food prices (+3.7% y/y), specifically meat, and fresh fruit and vegetables. The decline in energy prices was broad based, with falling gasoline (-20%), electricity (-29%) and natural gas prices (-12%). With lower utility bills, shelter costs fell 1.0%, down from the 3% average increase in 2014.

Across Canada, inflation was 0.9% in May, also pulled down by energy prices. Core inflation was 2.2% and has been relatively stable over the last 10 months; core inflation excludes the eight most volatile CPI components and is the Bank of Canada's preferred measure of underlying inflation.

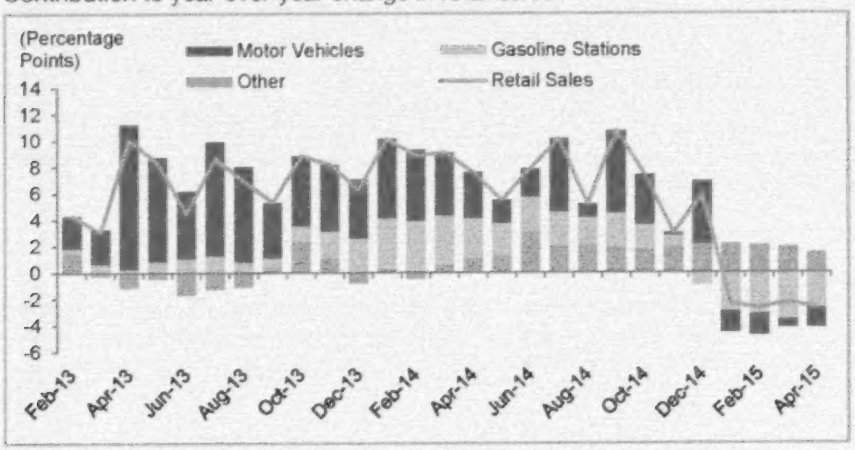
## Resale Housing

### Some improvement

The Alberta housing market continues to recoup after a sudden reversal in January 2015, brought on, in part, because of uncertainty about the economy. In May, there were 5,029 existing home sales in Alberta, up 7.0% from April. The monthly increase was driven primarily by continuing recovery in Calgary sales. Even with the increase, Calgary sales were still down 25% y/y. New listings in Alberta fell 3.2% to 8,230 in May, the result of a decline in Edmonton new listings. As a result, the sales-to-new listings ratio rose to 0.61, just inside the seller's market. The average resale price in Alberta was $395,754, largely unchanged from May 2014, down from average growth of 5.2% in 2014.

Chart 3: Retail sales in Alberta were down over last year

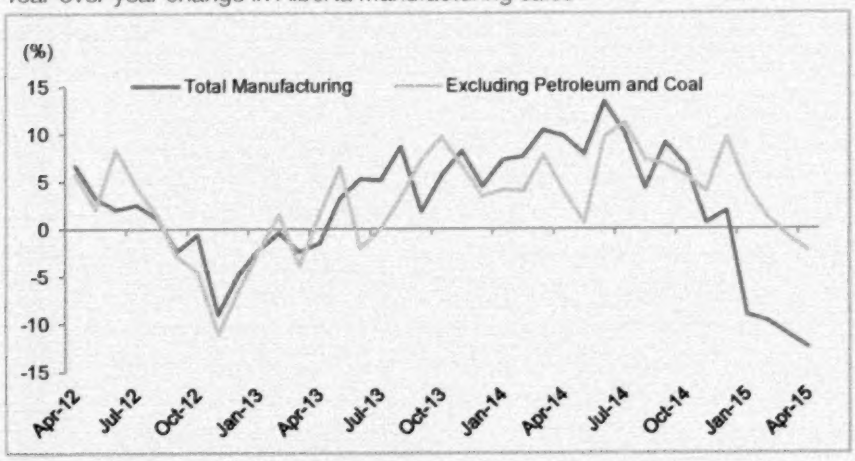
Contribution to year-over-year change in retail sales




**Source:** Statistics Canada

Chart 4: Declines in manufacturing extend beyond petroleum products

Year-over-year change in Alberta manufacturing sales




**Source:** Statistics Canada

The Canadian resale market got slightly tighter in May, with a 3.1% monthly rise in sales and a 0.2% decline in new listings. The average Canadian resale price was $435,510, up 8.1% y/y.

## Retail Sales

### Sales decline

In April, there were $6.3 billion-worth of retail sales in Alberta, down 1.2% from March and 2.2% from April 2014. Retail trade continues to be weighed down by sales at gasoline stations and new motor vehicle dealers (Chart 3). Gas station sales were down 20% y/y in April, pulled down by low gasoline prices. Motor vehicle and parts dealer sales were down 4.0% y/y. Excluding these two components, retail sales grew by 2.4% y/y, down from the 5% average increase observed over 2014.

## Manufacturing Sales

### Shipments fall

Alberta manufacturing sales totaled $5.7 billion in April, down 1.7% from March and 12% from April 2014. Petroleum and coal sales continue to weigh down manufacturing (Chart 4) falling 37.1% year-over-year on lower gasoline prices. Partial maintenance shutdowns at Alberta refineries in April also weighed on sales. Non-petroleum manufacturing sales have had monthly declines for four-straight months and were down 2.3% year-over-year. This was largely a result of lower machinery manufacturing, which continues to decline, falling 28% since December 2014. Food manufacturing was the bright spot, up 9.3% y/y. Year-to-date sales were down 10.6%, mostly due to the 37% decline in petroleum and coal sales.

## Contact

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Please see the *Alberta Economy - Indicators at a Glance* for a snapshot of Alberta indicators.